



[6450-01-P]

## DEPARTMENT OF ENERGY

### Western Area Power Administration

#### Proposed Allocation of Olmsted Powerplant Replacement Project

**AGENCY:** Western Area Power Administration, DOE.

**ACTION:** Notice of Proposed Allocation of Olmsted Powerplant Replacement Project.

**SUMMARY:** Western Area Power Administration (WAPA) Colorado River Storage Project (CRSP) Management Center, a Federal power marketing agency of the Department of Energy, announces its Olmsted Powerplant Replacement Project (Olmsted) Proposed Allocation of Energy. The Final 2018 Olmsted Power Marketing Plan and Call for Applications was published on October 11, 2017, and set forth that an application for an allocation of energy from Olmsted was due by December 11, 2017. WAPA has reviewed and considered the applications received and this *Federal Register* notice outlines WAPA's proposed allocations.

**DATES:** All comments must be received by the end of the comment period to be assured of consideration. The comment period on the proposed allocation of power begins **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]** and ends **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. WAPA will accept written comments any time during the 30-day comment period.

**ADDRESSES:** All written comments regarding the proposed allocation of power should be directed to the following address: Mr. Brent Osiek, Vice President of Power Marketing for CRSP, CRSP Management Center, Western Area Power Administration, 299 South Main Street, Suite 200, Salt Lake City, UT 84111. Comments may also be faxed to (801) 524-5017 or e-mailed to: [osiek@wapa.gov](mailto:osiek@wapa.gov).

**FOR FURTHER INFORMATION CONTACT:** Mr. Brent Osiek, Vice President of Power Marketing for CRSP, (801) 524-5495; or Mr. Lyle Johnson, Public Utilities Specialist, (801) 524-5585. Written requests for information should be sent to CRSP Management Center, Western Area Power Administration, 299 South Main Street, Suite 200, Salt Lake City, UT 84111; faxed to (801) 524-5017; or e-mailed to: [osiek@wapa.gov](mailto:osiek@wapa.gov).

**SUPPLEMENTARY INFORMATION:**

The United States acquired the Olmsted Powerplant in 1990 through condemnation proceedings in order to secure the water rights associated with the Olmsted Powerplant deemed essential to the Central Utah Project (CUP). The CUP is a participating project of the Colorado River Storage Project. As part of the condemnation proceedings, PacifiCorp continued Olmsted operations until 2015; after that time, the operation of the facility became the responsibility of the Bureau of Reclamation.

The existing Olmsted Powerplant greatly exceeded its operational life, and a replacement facility was needed for the generation of power and preservation of associated non-consumptive water rights. On February 4, 2015, the Implementation Agreement (Agreement) for Olmsted was signed by Central Utah Water Conservancy District (District); the Department of the Interior, Bureau of Reclamation; and WAPA (Participants). The Agreement sets forth the responsibilities of the Participants and identifies funding of Olmsted. The District will construct, operate, maintain, and replace the Olmsted Powerplant and incidental facilities in connection with its CUP operations, including power generation.

WAPA is responsible for marketing the Olmsted energy, which is anticipated to be available in the late summer of 2018. Power production will be incidental to the delivery of water and will only be available when water is present. Therefore, only energy, without capacity, will be

available for marketing. It is expected that the annual energy production from Olmsted will average around 27,000,000 kWh per year. The Final 2018 Olmsted Power Marketing Plan and Call for Applications was published on October 11, 2017 (82 FR 47201), and set forth that an application for an allocation of energy from Olmsted was due by December 11, 2017.

### **Olmsted Proposed Allocation of Energy**

Pursuant to the Final Power Marketing Criteria, allocations of energy from Olmsted were made based on a percentage of annual generation rather than fixed quantities of energy. Olmsted is a “take all, pay all” project; the annual revenue requirement does not depend on the amount of energy available each year. Customers with an allocation will receive a share of the energy and will annually pay a proportional share of the operation, maintenance, and replacement (OM&R) expenses in 12 monthly installments.

Applications were received from four entities representing a total of 14 eligible applicants. In considering the Power Marketing Criteria, priority was given to the District due to its role in the construction, operation, maintenance, and replacement of Olmsted. The District will receive 30 percent of Olmsted’s annual generation.

Olmsted will be electrically interconnected to Provo City’s (Provo) distribution and transmission facilities. Provo is a participant of the Utah Municipal Power Agency (UMPA), a joint-action agency responsible for supplying the wholesale power needs to Provo and other municipal electric utilities in the area. UMPA, a long-term power customer of WAPA, has agreed to accept all Olmsted energy as it is generated and, under a scheduling and displacement agreement with WAPA, provide Olmsted customers with their respective Olmsted allocation amounts from a portion of UMPA’s allocation of Salt Lake City Area Integrated Projects (SLCA/IP) resources, which is also marketed by WAPA. This arrangement will allow the

Olmsted recipients more flexibility as it will be easier to schedule this SLCA/IP resource, which is essentially exchanged for Olmsted generation, and it allows the use of existing scheduling and transmission wheeling arrangements. In consideration for providing these arrangements, UMPA will receive a 30 percent allocation of Olmsted generation.

After consideration of the allocations to the District and UMPA, WAPA determined it would use the remaining Olmsted energy to increase the allocations of those applicants that have the lowest percentages of their current loads served by Federal power. Four of the applicants receive less than 10 percent of their energy resources from Federal power. All of the other applicants currently receive over 20 percent of their energy requirements from Federal allocations. Therefore, WAPA awarded 10 percent of the Olmsted generation to the four applicants receiving less than 10 percent of their energy from Federal sources. The following table shows the proposed allocation percentages of the annual energy production of Olmsted:

Applicant	Percentage
Central Utah Water Conservancy District	30
Utah Municipal Power Agency	30
Lehi City, Utah	10
Kaysville City, Utah	10
Weber Basin Water Conservancy District	10
Springville City, Utah	10

WAPA will respond to the comments received regarding the Olmsted Proposed Allocation of Energy and publish its final allocations after the public comment period ends. If any adjustments or corrections are necessary in a recipient's percentage allocation, the allocations of all other recipients may change. WAPA plans to enter into contracts with customers after publication of the Final Allocation of Power *Federal Register* notice.

## **Availability of Information**

Documents developed or retained by WAPA during this public process will be available, by appointment, for inspection and copying at the CRSP Management Center, 299 South Main Street, Suite 200, Salt Lake City, Utah. Any comments received during the 30-day comment period will be posted to WAPA's Web site at the following address:

<https://www.wapa.gov/regions/CRSP/PowerMarketing/Pages/power-marketing.aspx>.

## **PROCEDURAL REQUIREMENTS**

### **Environmental Compliance**

In compliance with the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321-4347), the Council on Environmental Quality Regulations (40 CFR parts 1500-1508), and DOE NEPA Regulations (10 CFR part 1021), WAPA issued a Finding of No Significant Impact (FONSI) on January 13, 2017. The FONSI and other NEPA compliance documentation may be found at <https://www.wapa.gov/regions/CRSP/environment/Pages/environment.aspx>.

### **Regulatory Flexibility Analysis**

The Regulatory Flexibility Act of 1980 (RFA), 5 U.S.C. 601, et seq., requires a Federal agency to perform a regulatory flexibility analysis whenever the agency is required by law to publish a general notice of proposed rulemaking for any proposed rule unless the agency can certify that the rule will not have a significant economic impact on a substantial number of small entities. In defining the term "rule," the RFA specifies that a "rule" does not include "a rule of particular applicability relating to rates [and] services . . . or to valuations, costs or accounting, or practices relating to such rates [and] services . . . ." 5 U.S.C. 601. WAPA has determined that this action relates to rates or services offered by WAPA and, therefore, is not a rule within the purview of the RFA.

**Determination Under Executive Order 12866**

WAPA has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this *Federal Register* notice by the Office of Management and Budget is required.

Dated: May 30, 2018.

Mark A. Gabriel,  
Administrator.

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